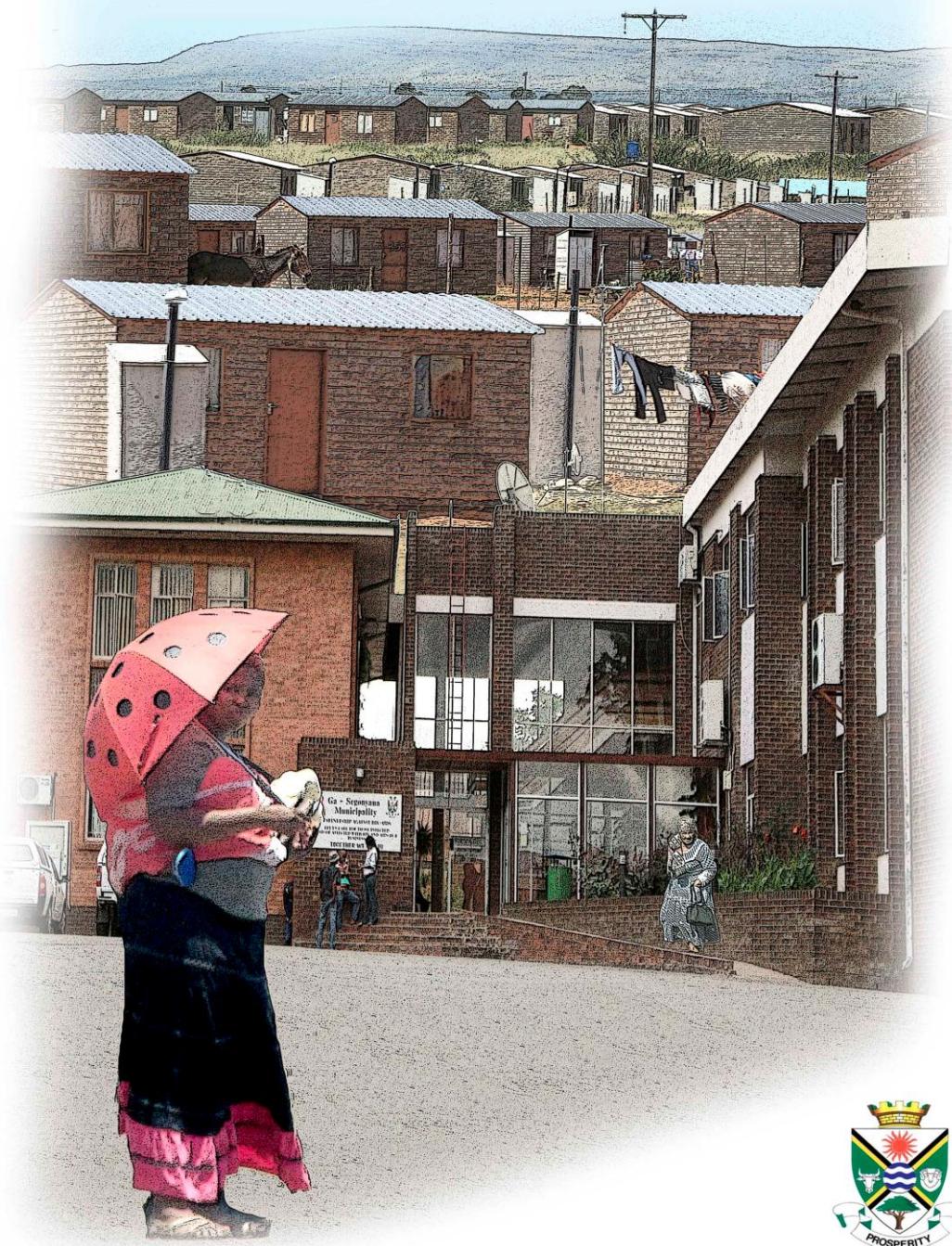


# Annual Report 2010/ 2011 Financial Year



## Ga-Segonyana Local Municipality

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# CHAPTER

# 1

## Executive Summary



## 1.1 Mayoral Foreword



**Mayor:**  
**Cllr T.G. Anthony**

It is a great honour to table the Annual Performance Report for the financial year 2010/11. The report outlines the achievements and challenges experienced by the Executive Committee, Council and the community of Ga-Segonyana Municipality. Ga-Segonyana Municipality takes pride in the responsibility of serving the community as an extension of its Constitutional mandate and governance responsibilities. Based on the abovementioned and as required by the Municipal Finance Management Act, 2003 and the Municipal Systems, 2000, Ga-Segonyana hereby submits its Annual Report in respect of the 2010/11 financial year, reporting on the service delivery targets and financial performance of the Municipality during the period 1 July 2010 – 30 June 2011.

Ga-Segonyana Municipality has developed both a short and a longer term view in terms of infrastructural, social, economical and financial development. In addressing backlogs the focus has been on both short term and long term planning and development. We had sustained routine operations, maintenance and future programmes and these require commitments and dedication. We had our share of problems and challenges but we have set targets and key performance indicators to ensure measurement towards the achievement of goals for a better life.

In accordance with the above, Ga-Segonyana is still performing well in terms of the National Key Performance Indicators, Outcome 9 of the National Outcomes and Integrated Development Plan (IDP) which has successfully been put into place and implemented.

The present system of local government is now in its third term of governance, is well established. The improvement of infrastructure, the delivery of houses, expanding of the water supply, electricity and sewerage are still challenges. The basic requirements for these funds and capacity still need to be addressed urgently. The Expanded Public Works Programme (EPWP) relieves the poverty challenges temporarily, resulting in a gradual economic growth.

Ga-Segonyana did its best to deliver on the Peoples Contract. All is however not smooth sailing and the following challenges have a hampering effect on the performance of the municipality:

- ❖ There is a huge backlog in the rural areas in terms of infrastructure and development, which has a negative impact on the IDP.
- ❖ Asbestos pollution (farming area mostly);



- ❖ Illegal dumping sites and inadequate capacity;
- ❖ A disclaimer audit opinion from the Auditor-General; and
- ❖ Inconsistent record keeping and uncertainty on current realities causes problems on the identification of real needs and measurement of performance. The lack of proper statistical information has an effect on budget allocations, as in some instances, this is done based on the population size and backlogs identified. The municipality is currently busy with a socio-economic survey to address this problem and it is trusted that the 2011 Census will go a long way to solving this problem.

Generally speaking, Ga-Segonyana performed well in terms of the National Key Performance Indicators, its Strategic Plan and IDP, which have successfully been put into place and is implemented in terms of legislation.

Managers and staff of the municipality had, to a great extent, helped to turn promises into concrete delivery. Significantly, our employees had developed an understanding of the vision and programmes of government and we are all marching in the same direction. Highlighted areas of noted performance are the following:

- Pre-paid meters connections are installed as and when requested by the client. Operation and maintenance are done regularly by the municipality.
- Geotechnical and Environmental Impact studies are done in terms of the construction of a new reservoir in Kuruman. The construction of the reservoir and bulk line will kick start as soon as funds are available.
- A credible indigent register are in place.
- All targets in terms of the development of SMME's and job creation were met during the financial year.
- Dependency on grants were reduced by 35%
- A complaints register was developed and is in place.

## 1.2 Overview of the Municipality

Ga-Segonyana Municipality is a former cross-boundary municipality with areas in the Northern Cape and the North-West Province. The municipal jurisdiction consists of 33 residential areas within a radius of approximately 80km in and around Kuruman, and has approximately 75,000 residents.

The municipality's economy is mainly based on the surrounding mining and agricultural activities. The municipal seat, Kuruman, is situated on the Namaquari route, forming part of the main route between Gauteng and Namibia and Cape Town via Upington.

(Source: <http://www.kurumankalahari.co.za>)

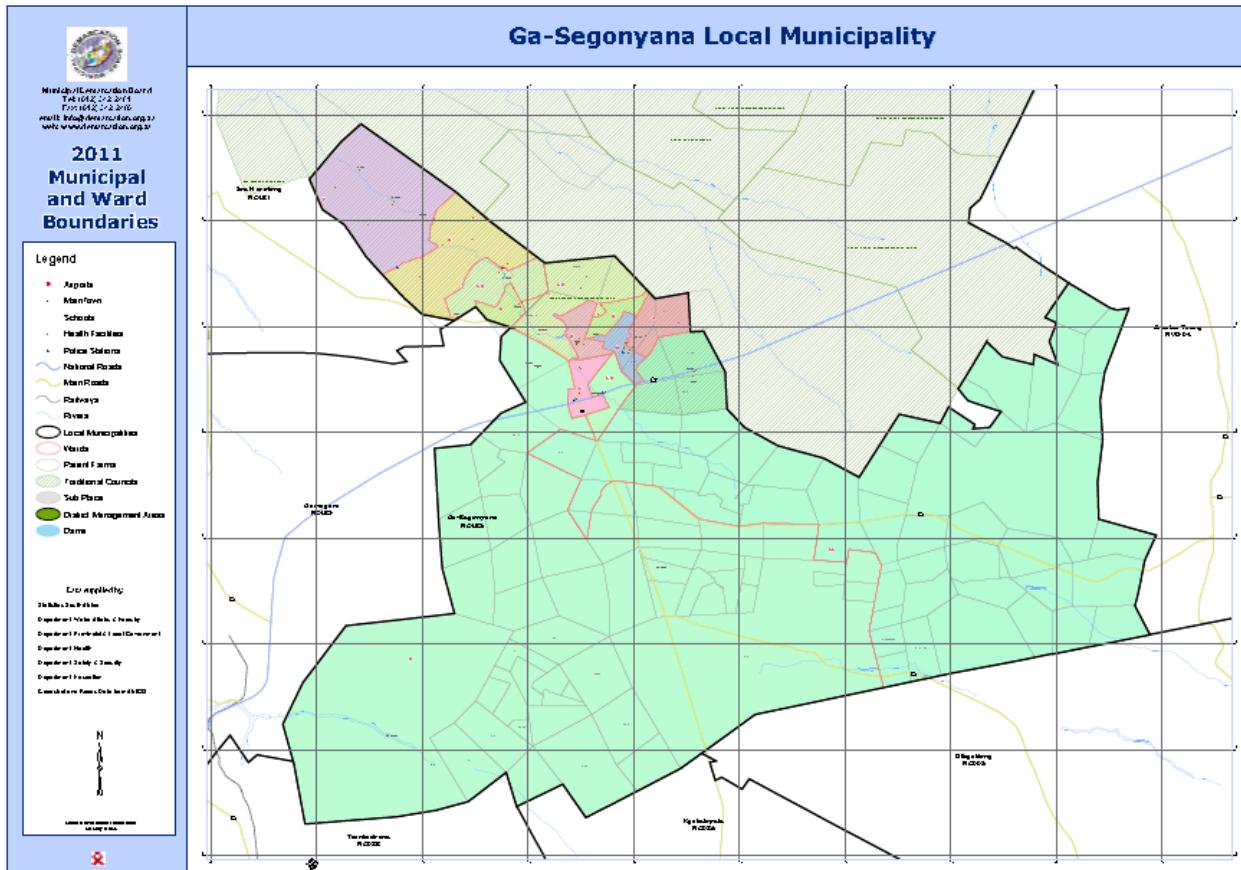
Ga-Segonyana Municipality was a cross-boundary municipality that straddled the boundary between the North-West and Northern Cape Provinces. It was established in 2000 through the amalgamation of Kuruman and Mothibstad Municipalities and includes sections of the Bophirima District Municipality.



The process of amalgamation of the cross-boundary municipalities started in 2006, with the official handing over by the various departments scheduled for 1 April 2007.

80% of the population, of roughly 70 400, stay in rural villages, or lives and works on commercial farms.

*Figure / Table 1: Map of the Ga-Segonyana municipal area*



(Source: Municipal Demarcation Board)

There are 33 residential areas divided into nine wards, and the council consists of nine ward and nine proportional representative (PR) councillors.

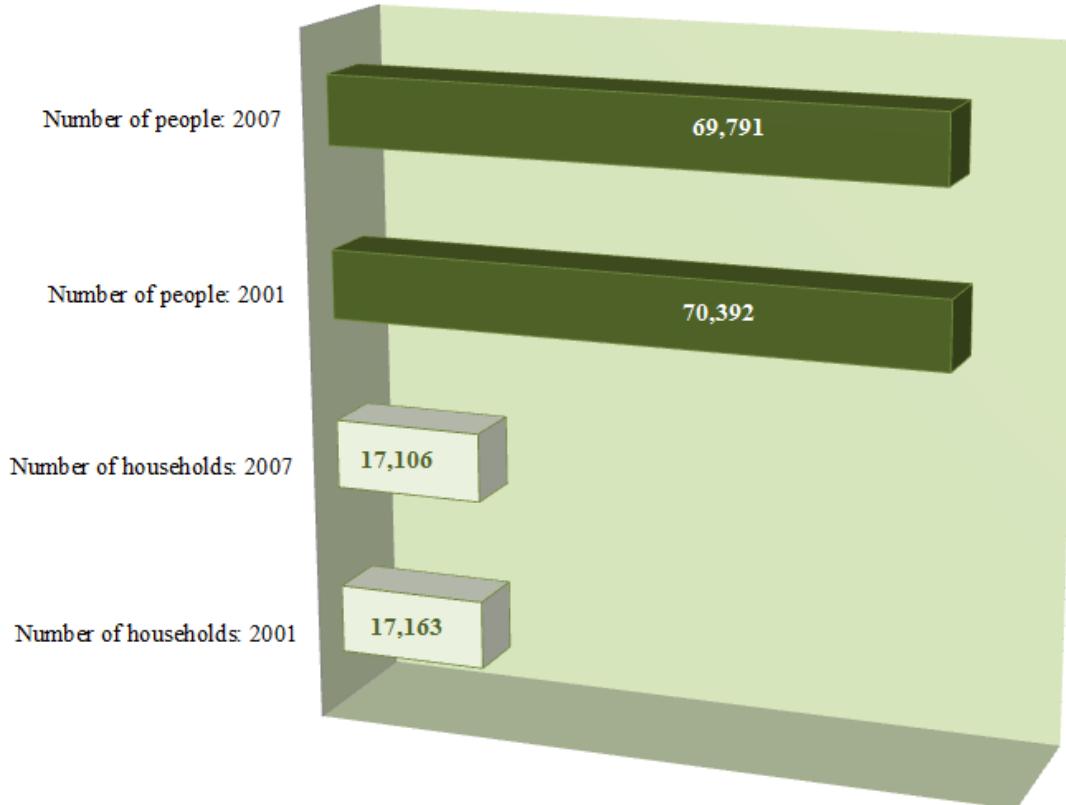
The economy of Ga-Segonyana is based on mining and agriculture (both commercial and subsistence), with tourism and commercial sectors contributing to a vibrant economy centred in Kuruman. Huge development in the surrounding mining areas is leading to extreme development in our area. Despite various challenges, all sectors of the economy have growth potential which can attract investors and entrepreneurs.

(Source: IDP, 2007/08)

55% of the population of Ga-Segonyana is below the age of 20, and 6,06% above 60. 96,85% has South African citizenship and 0,36% has citizenship of other African countries. 7,53% of the Municipality's population are living with disabilities. The dominant language is Setswana, with 81,47% of the population that speak the language as a first language. Afrikaans is being spoken by 12,87% of the language. A total

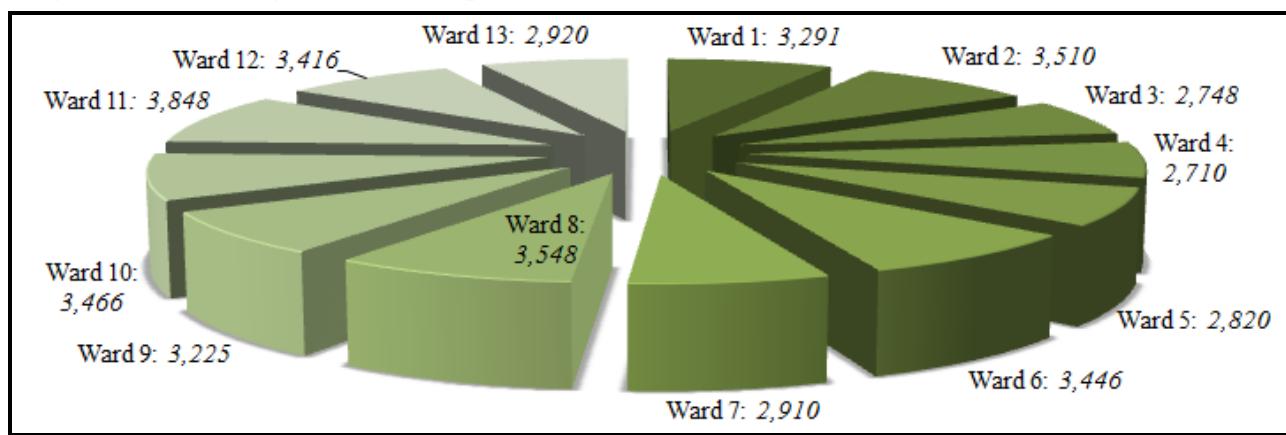
of 11,330 (or 15,65% of the population) is married in terms of civil / religious arrangements, and 50,502 (69,76%) has never been married.

*Figure / Table 2: Number of persons and households*



(Source: StatsSA, 2001, 2007 Census)

*Figure / Table 3: Registered Voters per Ward*



(Source: Municipal Demarcation Board)

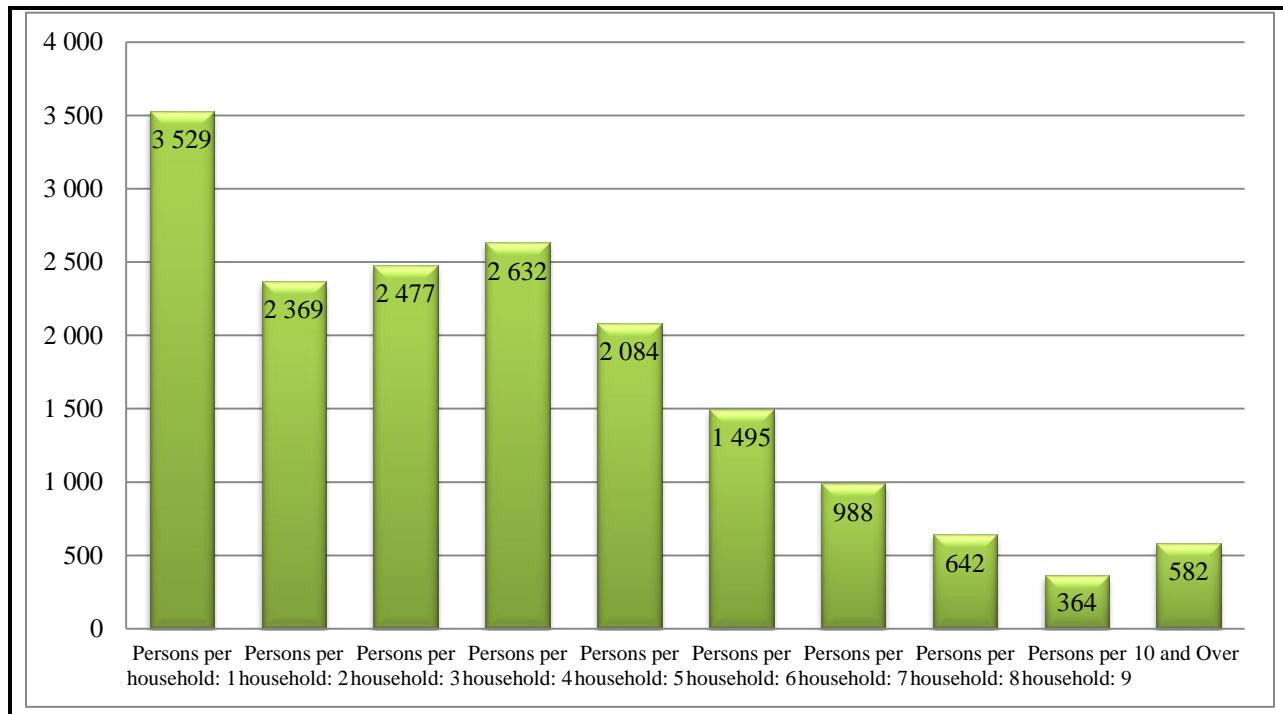


# Ga-Segonyana Local Municipality



The population density in the area is approximately 14 persons per square km, which is substantially less than the national average of 32.

*Figure / Table 4: Persons per household*



(Source: StatsSA, 2001, 2007 Census)

*Figure / Table 6: Neighbourhoods*





## 1.3 Executive Summary

### Municipal Vision Statement

To be an integrated municipality that is committed to the creation of a better life through sustainable development for the people of Ga-Segonyana.

### Mission Statement

Ensuring the delivery of quality and affordable services, in a sustainable manner that enhances good governance, equity and responsibility to the people of Ga-Segonyana.

### Service Priorities

- (1) Water and sanitation
- (2) Electricity
- (3) Roads
- (4) Job creation (LED)
- (5) Rural housing to address issues of mud houses and shacks

The Municipality is striving to achieve its vision and executing its mission within the context of the following values:

- To deliver quality, affordable and sustainable services.
- To serve the community in an accountable, equitable and transparent manner.
- To nourish the spirit of self-reliance and co-operative governance.
- To build a culture of payment and a spirit of belonging and ownership amongst our people.
- To promote and support a sustainable socio-economic development.
- To implement all our plans through leadership and commitment.
- To promote integrated human settlement.
- To deal with our customers in a friendly and honest manner to acknowledges their human dignity.

### IDP Objectives

- To ensure that all rural residential areas have at least RDP level of water;
- To ensure that a 100 households in wards 1-3 have are provided with yard connections annually.
- To ensure an increase of 5% on yard connections for the total of Ga-Segonyana
- To ensure 70% provision of sanitation to all communities in line with national and provincial standards
- To ensure sufficient road network and transport services to all residents in Ga-Segonyana.



- To ensure 100% access to electricity for all communities.
- To ensure free 50kWh (units) electricity per months to indigent households.
- To ensure continuous upgrading and maintenance of current networks.
- To ensure integrated human settlement in line with approved Spatial Development framework
- To create an enabling environment for economic growth and to reducing the unemployment and alleviate poverty
- To facilitate access to basic health service within 5km radius and facilities and create awareness amongst all communities on HIV aids and other communicable diseases.
- To ensure the provision of at least one community facility, or closed sport and recreation facility per ward.
- To have all current community halls and sport stadiums fully upgraded and maintained to enable enhanced service delivery and community participation
- To ensure that systems are put in place to render sufficient refuse removal services to create a clean and healthy environment for all residential areas in Ga-Segonyana
- To facilitate access to good quality primary education for all children within 5 km radius as well as to good proper secondary education within 20km radius
- To ensure systems and policies are put in place to ensure safe living conditions of all residents in Ga-Segonyana. To embark on programmes focusing on special groups as women, elderly, disabled, children and youth and to create awareness amongst all communities on HIV and Aids and other communicable diseases
- To ensure the representation of staff component according to targets in the Employment Equity Plan.
- To ensure the implementation of the Work Place Skills Plan.
- To ensure a working environment that enables performance and service delivery.
- To ensure financial viability by enhancing the income base, reducing outstanding debts and ensuring an unqualified audit report
- To increase revenue collection by 10% per annum.
- To implement supply chain management (SCM) system 100%.
- To ensure compliance to GAMAP / GRAP with regard to asset management
- To ensure effective management and monitoring of the budget
- To ensure that all existing cemeteries are registered and upgraded by 2012, with continuous maintenance.

The Ga-Segonyana Local Municipality's strategic performance framework is composed of three inter-related management elements, namely:

- (1) The Integrated Development Plan (IDP), which constitutes the strategic plan of the Municipality that sets direction to all its collective activities, and contains its long-term growth and development objectives, strategies and projects;
- (2) The Service Delivery and Budget Implementation Plan (SDBIP) that operationalise the IDP, link it with the Municipality's in-year budget and align its capacity with its anticipated service delivery performance; and

(3) The Performance Management System that has served as a performance monitoring and evaluation tool to regularly assess and evaluate the performance of the Municipality in terms of its IDP and SDBIPs.

## 1.4 Overview of the Financial Performance of the Municipality

*Figure / Table 6: Financial Performance Overview*

GFS Function	2010 Actual Income	2010 Actual Expenditure	2010 Surplus (Deficit)	2011 Actual Income	2011 Actual Expenditure	2011 Surplus (Deficit)
Executive and Council	5,341,654	13,897,384	(8,555,730)	6,459,158	12,783,316	(6,324,158)
Budget and Treasury	15,157,950	14,347,457	810,493	19,121,305	16,565,819	2,555,486
Corporate Services	331,889	6,466,367	(6,134,478)	434,525	6,671,357	(6,236,832)
Planning & Development	1,296,513	12,632,457	(11,335,944)	39,566,828	36,558,859	3,007,969
Health	28,386	933,154	(904,768)	27,501	947,793	(920,292)
Community and Social Services	415,588	5,306,499	(4,890,911)	(297,256)	4,866,867	(5,164,123)
Public Safety	3,356,424	8,184,587	(4,828,163)	4,194,988	6,435,317	(2,240,329)
Sport and Recreation	1,139,271	7,914,190	(6,774,919)	1,459,164	6,754,818	(5,295,654)
Waste Management	9,469,100	10,426,150	(957,050)	11,199,457	8,797,316	2,402,141
Waste Water Management	18,180,082	10,537,026	7,643,056	14,162,155	7,931,390	6,230,765
Road Transport	26,102	14,089,188	(14,063,086)	118,101	16,337,222	(16,219,121)
Water	29,818,580	21,856,048	7,962,532	35,248,501	30,394,035	4,854,466
Electricity	56,125,464	39,995,230	16,130,234	67,184,735	52,071,091	15,113,644

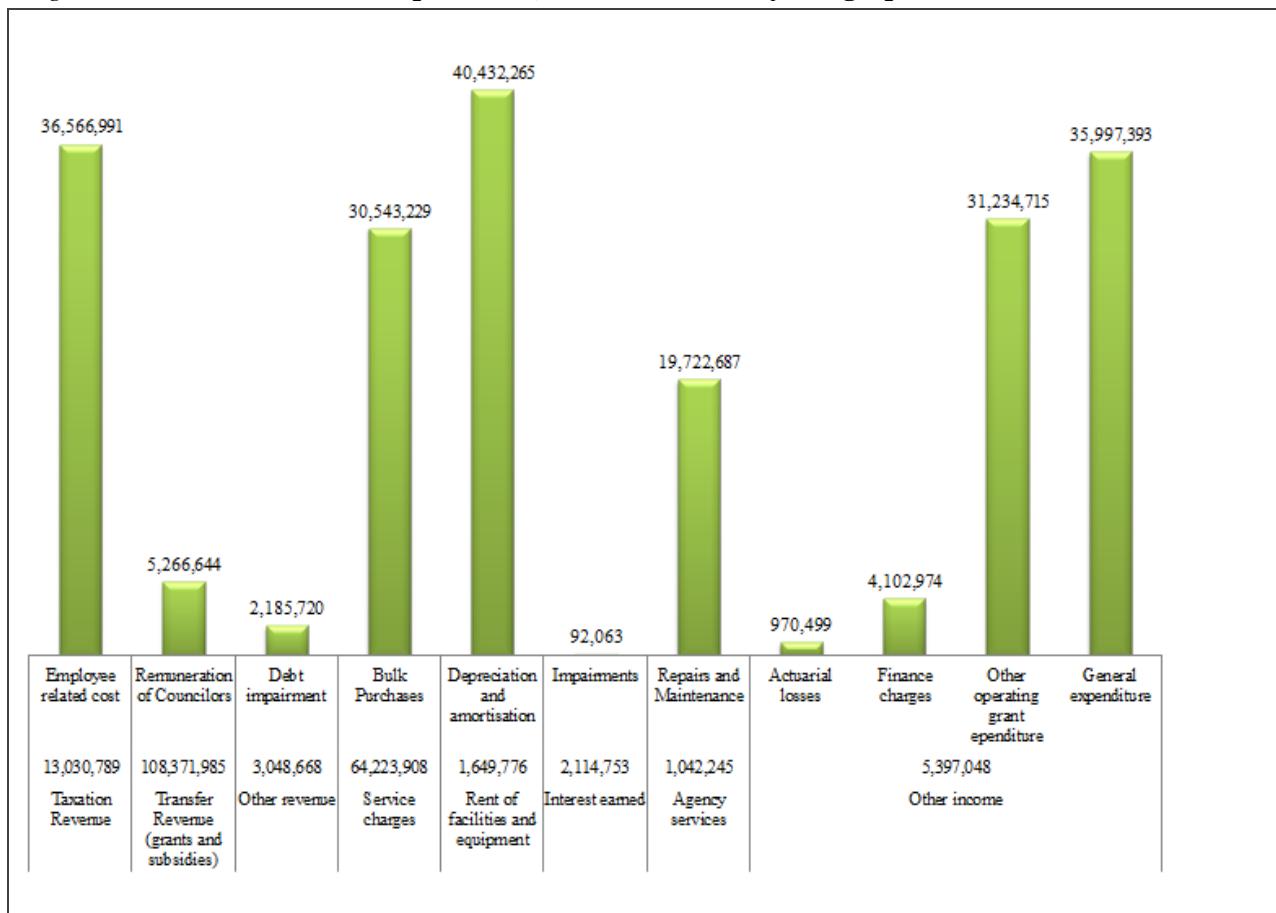
(Source: 2010/11 Annual Financial Statements)

*Figure / Table 8: Revenue & Expenditure, 2010/11 financial year*

Revenue	Revenue value	Expenditure	Expenditure value
Taxation Revenue	13,030,789	Employee related cost	36,566,991
Transfer Revenue (grants and subsidies)	108,371,985	Remuneration of Councilors	5,266,644
Other revenue	3,048,668	Debt impairment	2,185,720
Service charges	64,223,908	Bulk Purchases	30,543,229
Rent of facilities and equipment	1,649,776	Depreciation and amortization	40,432,265
Interest earned	2,114,753	Impairments	92,063
Agency services	1,042,245	Repairs and Maintenance	19,722,687
Other income	5,397,048	Actuarial losses	970,499
		Finance charges	4,102,974
		Other operating grant expenditure	31,234,715
		General expenditure	35,997,393
<b>Revenue</b>	<b>198,879,172</b>	<b>Expenditure</b>	<b>207,115,180</b>



Figure / Table 9: Revenue & Expenditure, 2010/11 financial year (graph)





# CHAPTER

# 2

## Performance Highlights



## 2.1 Overview

To reach developmental objectives for municipal areas, the government's priority since 1994 has been meeting the basic needs of the millions of South Africans living in poverty. This target has been a cornerstone of government's redistribution and poverty-eradication effort. In line with the Millennium Development Goals, government's target is to ensure that by 2014 all households have access to the minimum standard for each basic service.

A related 2014 goal is to halve unemployment and poverty. Through their procurements of services and by using labour-intensive methods to maintain and build infrastructure, municipalities both broaden participation in the local economy and create work opportunities for the poor.<sup>1</sup>

The key point to emerge from reviews of service delivery is that progress has been uneven across the country with different issues facing different areas, reflecting variable socio-economic conditions and municipal competence. Highly urbanized areas are now scoring higher on backlogs due to the rapid growth of informal settlements, due to family splitting, homelessness and in-migration, but these cities are unprepared for providing the most basic of services to dwellers of such settlements. The concept of integrated human settlements must urgently address the challenges raised by such rapid urban growth and measures for the health, dignity and safety of shack-dwellers re-assessed. With some justification, many municipalities complain that there are insufficient funds to eradicate infrastructure backlogs on water, sanitation and roads services, resulting in incomplete infrastructure projects e.g. RDP houses, roads, electricity and water.

However, individual assessments have also demonstrated examples of under-spending, a degree of wastage, inappropriate usage of funds, and poor oversight.<sup>2</sup>

### KPAs for Local Government:

- Basic Service Delivery and Infrastructure;**
- Local Economic Development;**
- Municipal Institutional Transformation and Development;**
- Municipal Financial Viability and Management; and**
- Good Governance and Public Participation.**



<sup>1</sup> Source: Local Government Turnaround Strategy, November 2009 (Department of Co-operative Governance and Traditional Affairs)

<sup>2</sup> Source: State of Local Government in South Africa, Overview Report (National State of Local Government Assessments) - Working Documents, COGTA 2009

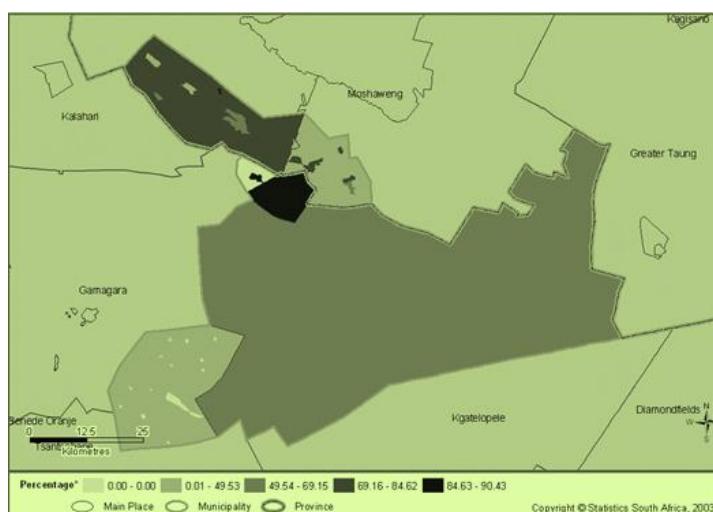


## 2.2 Water

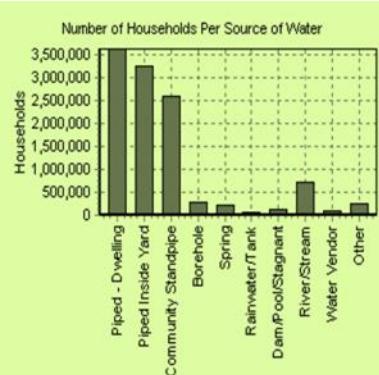
Access to water is a human right and provided for in the Constitution S27 1(b). Although local government has the primary constitutional obligation to deliver basic services, the national and provincial government have to play a significant role in supporting municipalities to fulfil these obligations. According to the census statistics of Census 2001, Ga-Segonyana has a backlog of 6 584 households who did not have access to a potable water supply within 200 m of the dwelling. The target and aim that have been worked towards over the past four years is to provide all these households with access to a potable water supply within 200 m of the dwelling as soon as possible.

### 2.2.1 Statistical Overview

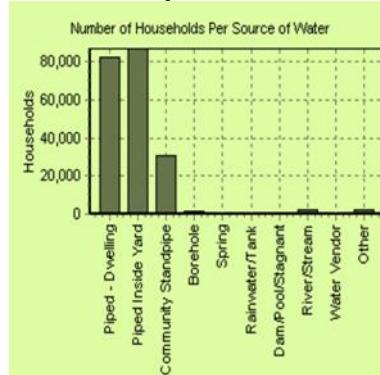
*Figure / Table 10: Percentage Households with Access to Piped Water, 2001<sup>3</sup>*



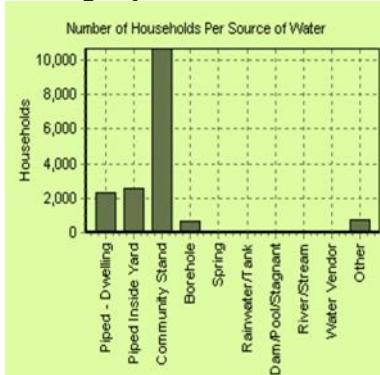
**National**



**Northern Cape**



**Ga-Segonyana**



<sup>3</sup> Source: Census 2001, digital census atlas (Stats SA)



*Figure / Table 11: Water Projects*

Project	2008/09	2009/10	2010/11	2011/12
Batlhilos water reticulation phase 5	R 3,140,699.20	R 0.00	R 1,273,750.00	R 120,000.00
Mothibistad sewer connection to Kuruman		R 0.00	R 0.00	R 0.00
Magojaneng: Water network	R 5,688,551.00	R 1,455,756.60	R 342,187.00	R 3,000,000.00
Water project for Seoding	R 4,273,979.00	R 890,700.60	R 224,947.00	R 0.00
Pietbos network Water	R 205,647.67	R 0.00	R 17,500.00	R 0.00
Vergenoeg water	R 0.00	R 0.00	R 0.00	R 2,500,000.00
Maruping Water Network	R 0.00	R 0.00	R 0.00	R 6,000,000.00
Geelboom network Water	R 40,580.34	R 0.00	R 767,042.80	R 100,000.00
Kagung Water	R 0.00	R 0.00	R 0.00	R 3,500,000.00
Mapoteng water supply		R 2,162,065.33	R 113,792.91	R 0.00
Mothibistad Phase1		R 7,086,427.76	R 372,969.85	R 41,000,000.00
Ditshoswaneng water supply				R 2,500,000.00
Bankhara-Bodulong water			R 6,053,000.00	R 300,000.00

## 2.3 Sanitation

### National Target for sanitation:

#### Goal

All households to have basic level of sanitation by 2014

#### Indicator

Number of households that have access to sanitation.

#### Definition

- Below basic level constitutes as backlog and includes chemical toilets, pit latrine without ventilation, bucket latrine and no sanitation facility

According to Census 2001, Ga-Segonyana has a backlog of 7 700 households in the Water Service Area (WSA) that does not have access to a ventilated improved pit-latrine (VIP)/UDS.

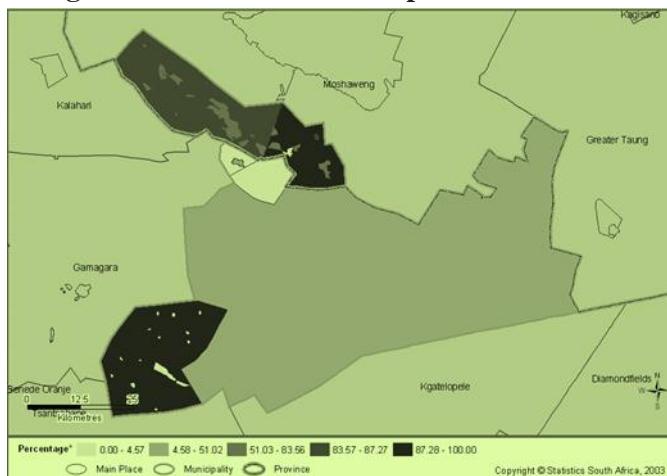
*Figure / Table 12: Sanitation*

Functional Area of Service Delivery	Required	Budgeted
Backlogs to be eliminated (No. of households not receiving minimum standard of service)	7,610	700
Backlogs to be eliminated (% households identified as backlogs / total households in the municipality)	35,39	3.26
Spending on new infrastructure to eliminate backlogs (R'000)	R 63 982 000-00	R 2 095 000-00
Spending on maintenance to ensure that no new backlogs are created (R'000)	R 40 133 000-00	R 4 729 000-00

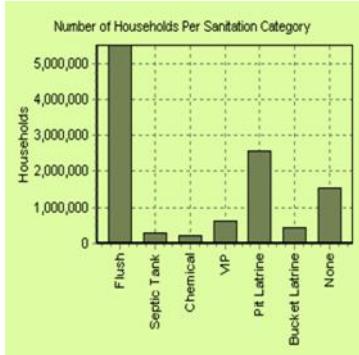


## Statistical Overview

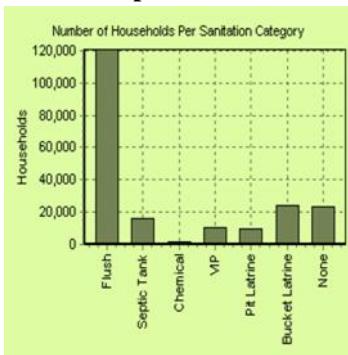
Figure / Table 13: Percentage Households without "improved" Toilet Facilities, 2001<sup>4</sup>



### National



### Northern Cape



### Ga-Segonyana

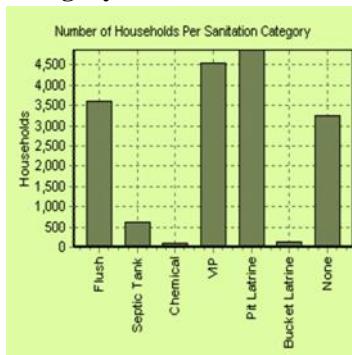


Figure / Table 14: Sanitation Projects

Project	2008/09	2009/10	2010/11	2011/12
Bankhara-Bodulong outflow sewer	R 347,786.43	R 160,000.00	R 0.00	R 0.00
Kuruman waste water treatment (Upgrading of Kuruman sewer pump station)	R 242,619.29	R 75,000.00	R 0.00	R 0.00
Vergenoeg VIP	R 0.00	R 2,191,113.71	R 115,321.77	R 0.00
Bankhara Bodulong sewer phase 2	R 0.00	R 0.00	R 4,000,000.00	R 4,000,000.00
VIP ward 7		R 3,481,010.00	R 1,225,299.59	R 150,000.00

<sup>4</sup> Source: Census 2001, digital census atlas (Stats SA)



## 2.4 Refuse Removal

All households and businesses in urban areas (Wards 1 -3) are covered by door-to-door service once per week. A pilot project was launched in the rural area – wards 4-9, involving the community to assist with refuse collection. This project faces severe challenges, however.

### National Target for refuse removal:

#### Goal

All households to have access to refuse removal by 2014.

#### Indicator

Number of households receiving refuse removal service at least once a week.

#### Definition

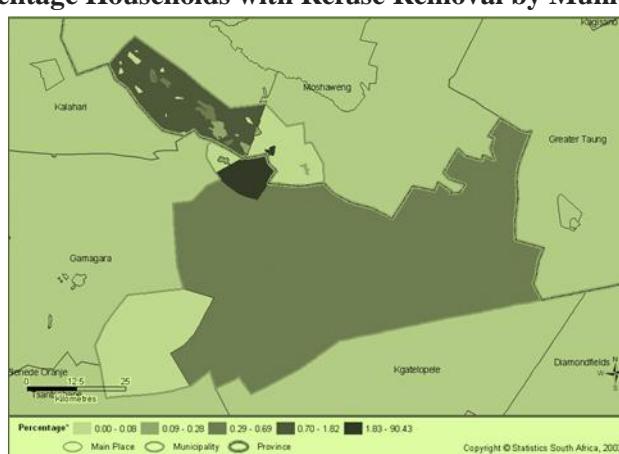
- Higher level of service includes removal by local authorities/private company at least once a week.
- Basic level of service includes a communal skip.

*Figure / Table 15: Landfill sites: Value of Planned Projects*

Planned Project:	2008/09	2009/10	2010/11	2011/12
Landfill sites	R 206,328.00	R 22,926.00	R 0.00	R 0.00

### 2.4.1 Statistical Overview

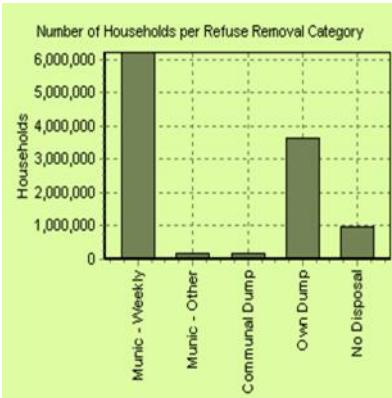
*Figure / Table 16: Percentage Households with Refuse Removal by Municipalities, 2001<sup>5</sup>*



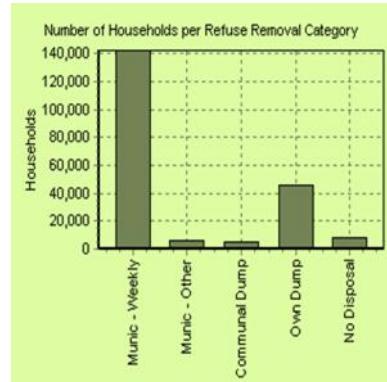
<sup>5</sup> Source: Census 2001, digital census atlas (Stats SA)



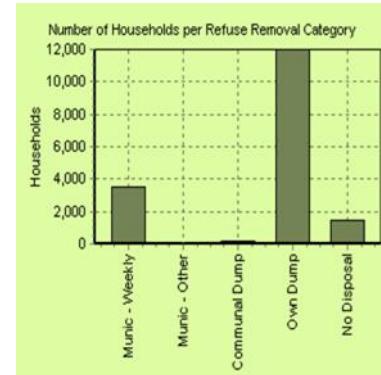
## National



## Provincial



## Ga-Segonyana



## 2.5 Electricity

### National Target for electricity:

#### Goal

All households to have access to electricity by 2014.

#### Indicator

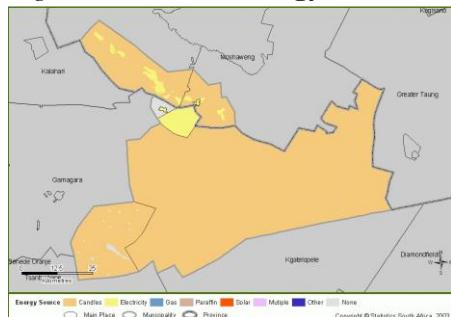
Number of households connected to grid network.

#### Definition

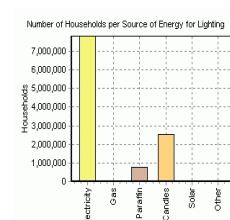
- Higher level of service includes connection to the grid. Basic level of service includes 10 amp connection.

## Statistical Overview

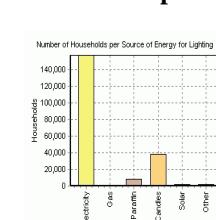
Figure / Table 17: Energy Source for Lighting, 2001



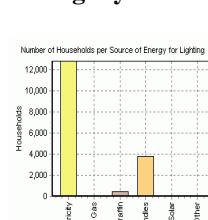
### National



### Northern Cape

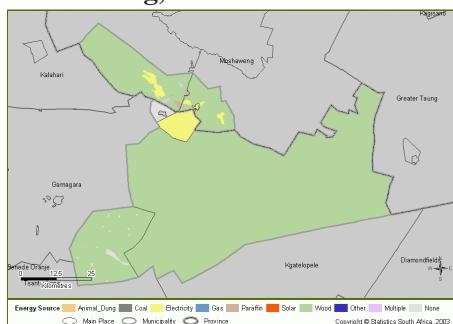


### Ga-Segonyana

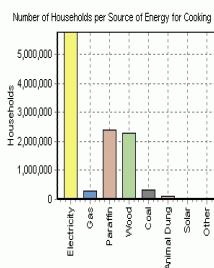




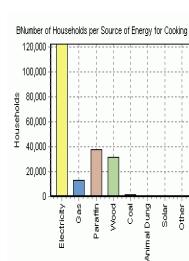
*Figure / Table 18: Energy Source for Cooking, 2001*



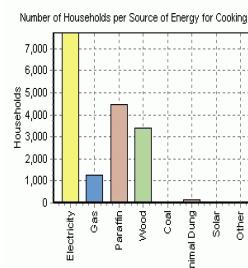
**National**



**Northern Cape**



**Ga-Segonyana**



*Figure / Table 19: Electricity Projects:*

Project	2008/09	2009/10	2010/11	2011/12
High mast lights ward 1-9	R 2,000,000.00	R 3,000,000.00	R 5,000,000.00	R 11,000,000.00

*Figure / Table 20: Electricity backlogs*

Functional Area of Service Delivery	Required	Budgeted
Backlogs to be eliminated (No. of households not receiving minimum standard of service)	2005	704
Backlogs to be eliminated (% households identified as backlogs / total households in the municipality)	9,33%	3,27%
Spending on new infrastructure to eliminate backlogs (R'000)	R 40 680 000-00	R 11 589 000-00
Spending on maintenance to ensure that no new backlogs are created (R'000)	R 40 847 818-00	R 29 466 000-00

## 2.6 Streets and Stormwater

*Figure / Table 21: Streets and Stormwater*

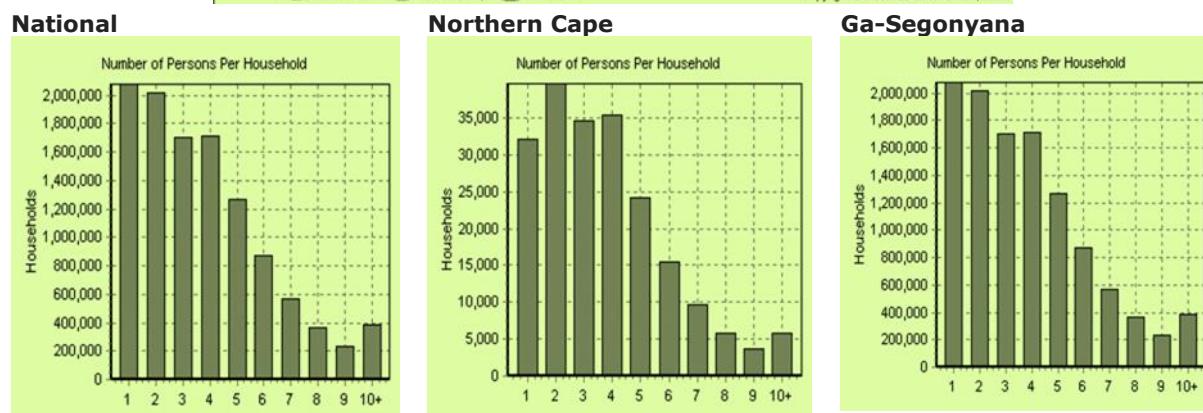
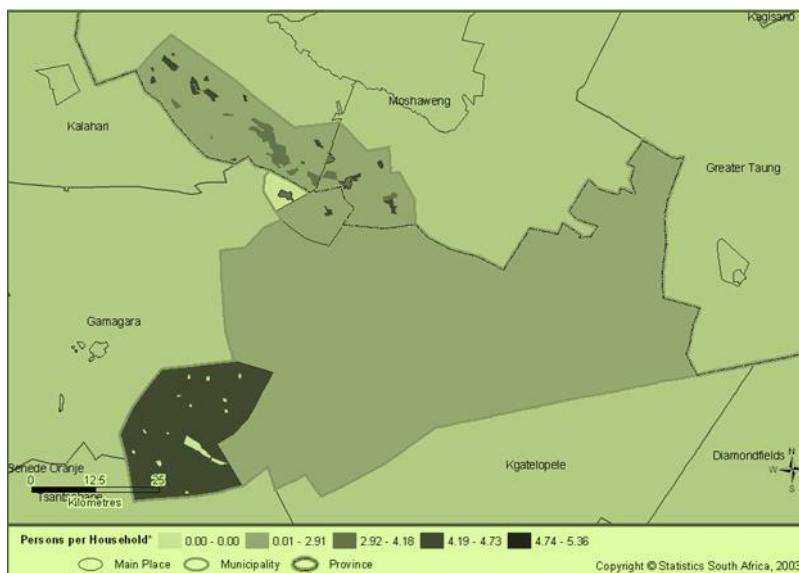
Functional Area of Service Delivery	Required	Budgeted
Backlogs to be eliminated (No. of households not receiving minimum standard of service)	1279 KM	0
Backlogs to be eliminated (% households identified as backlogs / total households in the municipality)	10.47%	0
Spending on maintenance to ensure that no new backlogs are created (R'000)	R 105 489 000-00	R 7 925 000-00

*Figure / Table 22: Streets and Stormwater, Value of Planned Projects*

Project	2008/09	2009/10	2010/11	2011/12
Maruping - Vergenoeg road	R 150,000.00	R 0.00	R 0.00	R 0.00
Bathharos-Vergenoeg	R 61,500.00	R 0.00	R 0.00	R 0.00

## 2.7 Housing

*Figure / Table 23: Housing*



## 2.8 Environmental Issues

### 2.8.1 Water

#### Underground Water

Ga-Segonyana only relies on the underground water source which comes as a result of an overflow from the Vaal River. The municipality also has mapped aquafars identified in Seoding, Bankhara-Bodulong and Kuruman, which are planned to be used as a source of water supply in the area.

#### The Eye

Another source of water is the Eye, which is a natural spring that supplies water to the communities in the Kuruman area through the farrows, for agricultural purposes.



## Wetlands

The municipality has identified wetlands in some of the areas in its jurisdictions, and intends that needs to be restored to supply water to the communities for agricultural purposes. The wetlands have been identified in:

- Maruping
- Gamopedi
- Batlharos.

A study has been conducted on the wetlands, and the water on the Batlharos one has been found to have a lot of salt that has resulted from the Tshwaragano Hospital waste deposits.

## Heritage Assets

- The Eye
- Wonder Caves
- Moffat Mission

## Natural Assets

- Billy Duvenhage Nature Reserve
- Wetlands
- Protected plant species:
- Camel Thorn

## Other Assets

- The municipality has a landfill site and a new one is being developed.

## Environmental Plans

The municipality has developed a *Green Plan* to ensure that all resources are preserved. In the plan, the following are key to ensure that the resources are preserved:

- The RDP housing development areas have been identified and supplied with indigenous trees received from the Department of Agriculture, Forestry and Fisheries.
- The removal of invasive alien plants
- Appointment of Bizi' Africa for the development of parks in three (3) villages: Mothibistad, Kagung and Seoding. The park project has commenced and is expected to be finalised and handed over in June 2012.
- The existing natural/wild grass will be used to green the parks
- Indigenous water wise plants will be planted at the parks.
- The Mothibistad parks will be irrigated with the affluent water from the Magojaneng treatment plant.
- The Kuruman parks are irrigated from the affluent water from the Kuruman treatment plant.

The Greening Plan has further identified the following projects:

- Indalo Yethu cleaning project (Commenced in 2010)



- Bizi' Africa greening project ( Parks: commenced in 2010)
- Working for water project (Removal of alien plants)
- Recycling Project ( LED) ( Development of Buy-Back Center through Indalo Yethu project

The municipality has *by-laws* in place to ensure compliance with environmental laws and regulations, as well as protect the environment. The challenge however is that the municipality has no capacity to enforce such by laws. The following by-laws are in place:

- The municipality has trained 25 people in the **Green Police**, through the Indalo Yethu project. The purpose is to ensure that there are people who will educate the communities on the necessity of environmental care and conservation through greening, as well as report the environmental wrong doing.
- The challenge with this is that the Green Police are currently remunerated through the project funds, and the municipality therefore needs to develop a strategy to absorb and pay the team.
- The Integrated Waste Management Plan has been completed through the Indalo Yethu project and submitted to Council on 30 November 2011 for approval.

## Environmental Threats and Challenges

The following have been identified as threats and challenges to the environment:

- Invasive plant species:
- Pollution of the water in the canal by private households through which the canal runs
- Development in the Kuruman plots that were initially identified for agricultural land use
- Development leading to the decrease in arable land ( Threat to food security)
- Illegal and unregulated settlements results in harming of protected species
- Illegal sand mining on sensitive areas harms the protected species
- Lack of rehabilitation on the sand mining areas
- Field fires
- No dedicated person for environmental science/management
- Although EIA is a pre-requisite of all capital projects there is no internal capacity and the service is therefore outsourced.
- The Indalo Yethu study has identified that the current landfill site is prematurely nearing its lifespan due to the fact that a lot of waste that could have been recycled/reclaimed has been taken to the site. The following measures are suggested to extend the lifespan:
  - Buy-Back Centre (for recyclable waste)
  - Recycling awareness raising campaign
  - Development of recycling projects through LED office
  - Development of the Landfill site Committee for the daily running of the landfill site
  - Re-strategize on the usage of existing refuse enclosures in villages that do not receive regular refuse removal services.

## General Observations

- The Eye water level mark has dropped and is no longer pumping 20ml as initially proven. The municipality has started to engage the Department of Water, national office, to run the test/study for them.
- Climate change has become a threat to agricultural resources as the level of farming by the communities has decreased.
- Overgrazing due to decrease in arable land, caused by development and climate change.

## 2.9 Disaster Management

Employees of Barlow Company in Kuruman were given training for basic firefighting. They have trained how use and operate a fire extinguishers during fire incidents, and they have also trained the classifications of fire according to classes of fires.

Every financial year the John Taolo Gaetsewe District makes fire grant equipment for the Local Municipalities. Ga-segonyana Disaster Centre has requested nine (09) x Grass Unit high pressure machines for Disaster fire risk reduction. The equipments are still waited.

### 2.9.1 Field Fires

*Figure / Table 24: Field Fires, Incident Report*

LAND AREA	LAND AFFECTED / HECTORS	ASSISTANCE	RELIEF AID
Danielskuil Road	+/-20 Hectors of animals grazing was destroyed by fire, grazing fence is still in good condition.	Fire was well extinguished by fire personnel and working on fire team.	Department of Agriculture was reported.
Kathu Road	+/-15 Hectors of grazing land were affected by fire	Fire extinguished by fire personnel	Reported to Department of Agriculture.
Seven Miles village	+/-15 Hectors of grazing land affected by fire	Well extinguished	Reported to Department of Agriculture for further assistance.
Bankhara	+/-15 Hectors of grazing land affected by fire.	Extinguished by fire personnel and working on fire team.	
Kuruman hospital	Electrical poles and telephone were protected against fire	Fire extinguished by fire personnel.	

LAND AREA	LAND AFFECTED / HECTORS	ASSISTANCE	RELIEF AID
Gamopedi village	+ / - 15 hectors of grazing land affected by fire, animals were protected against fire.	Fire extinguished by fire personnel.	
Wrenchville	+ /-15 Hectors of land affected by fire, telephone and electrical poles were protected against fire.	Fire well extinguished by fire personnel and working on fire team.	
Ditshoswaneng village	+ / -20 hectors of grazing land affected and destroyed by fire.	Fire well extinguished	
Seeding	+ /- 20 Hectors of grazing land were destroyed and affected by fire.	Fire extinguished by fire personnel and working on fire team.	
Mothibistad land opposite of Public Works.	+ /-10 Hectors of land, truck trail rear tires were damaged by fire	Fire extinguished by fire personnel	
Kono road leading to Danielskuil	+ /- 20 Hectors of grazing land were affected by fire	Fire well extinguished by fire personnel and working on fire	Department of Agriculture was reported for further assessment.

## 2.9.2 Incident Report: Disaster Management

Figure / Table 25: Incident Report: Disaster Management

Name & Surname	Village	House Affected	Injuries	Relief aid	House Number	Damage Estimate
Samuel Mahule	Bankhara - Bodulong	One room mud house well alight, everything inside house burnt to ashes.	No injuries reported	One tent was given to the victims, and reports send to Dept of Social Services.	390 Kanana Section	R 30 000.00 Ix wardrobes full of clothes, Ix new kitchen table plus 4x chairs, Ix single bed plus blankets, 13x corrugated iron, Ix wood door plus frame

Name & Surname	Village	House Affected	Injuries	Relief aid	House Number	Damage Estimate
Elvis Machwaneng	Bankhara	One room shack house well alright, everything inside house burnt to ashes.	No injuries reported	One tent was erected for the victims, reported to Department of Social Services for further assistance.	Bankhara new site	R 30 000.00 19x corrugated iron, 8x roof bottle poles, 4x steel windows and wood door plus wood frame, 1x single bed plus blankets, 1x kitchen table plus 4x chairs.

## 2.10 Profile of the Ga-Segonyana Municipality's Services Challenges

- 70% of the community has access to electricity – the remaining 30% are mostly infills and connections.
- There is adequate access to water and the aim is now to move towards providing yard connections.
- In the older part of villages access to water is still a problem (extensions).
- Lack of infrastructure, such as landfills often cause health hazards
- Emergency services
- Lack of yard connections; MIG focus on RDP standard (200 meter – standpipes)
- Sanitation is a problem in all wards: UDS and pit sanitation – infect groundwater. System is required – money urgently needed
- Cleaning of graveyards not satisfactorily addressed
- Internal and access roads
- Housing
- Spatial planning (specifically the formulation of townships). Inadequate planning (past legacy).
- Financing formula and grading of the Municipality
- Rate of migration vs lack of resources

## 2.11 Performance Improvement Measures

### 2.11.1 Community Services

- Extending sanitation and waste management services for waste management (Doing it for Wards 1, 3, 4 and 12). Council wants to expand services to all wards
- Extension of services for fire. Fire station must be established.
- No money available.
- Money to be requested from the mines and/or through business plans to MIG. Also other sector departments.
- Cemetery maintenance must be extended to all wards. Cemeteries in villages not registered with the Municipality. No funds. In negotiations with the district to secure funding.
- Some residents of the village can afford payment of services, but because they are not formalized, they cannot be forced to pay for services. Formalization: Must be formalized. Services are provided for free in villages.

### 2.11.2 Financial Services

- Reduce outstanding debt by 10%.
- Reduce losses at stores, in terms of fuel. A card system will be introduced.
- Introduction of automated meter-reading system to resolve the incorrect meter readings.
- Revenue enhancement: Pre-paid system. Update of indigent register. Incentive for payment of outstanding debt (discount). About 30 villages are totally grant dependent – cannot reduce dependency on grants over the short term.
- Improvement in audit opinion to unqualified by 2014.
- GRAP compliant asset register
- Budget provisions for ageing infrastructure – funds needs to be secured.
- Unfunded mandates affecting budget control and result in over-expenditure.
- Budget not adequate to completely fund the organogram / staff establishment
- Due to budget restrictions, the Municipality is not able to be placed on a higher rating (SALGA rating)
- Inadequate funding from National, if the migration of people to the municipal area is considered
- Writing off of R2,7 million in respect of stock issues (deviation between physical stock and general ledgers)
- Updating of financial system software and server

### 2.11.3 Technical Services

- Integration of services: Water, sanitation etc.
- Construction of reservoir (Implement of Water Master plan)
- Servicing of sites (land readily available not cannot be sold because they are not serviced)

- Refurbishment of old infrastructure (e.g. replacement of asbestos pipes – these pipes are also old. Old sewerage lines must be refurbished).
- Improvement of Operation and Maintenance. Because of inadequate funds, services targets cannot be met.
- Construction of in-situ houses (eradication of mud houses)
- Improvement in green and blue drop status
- Integrated housing project: Rural communities must be integrated with urban areas. (Galowe integrated project: Integrate low, middle and high communities – high and middle income households to subsidized low income communities)
- Prepaid water project: Conlog prepaid meters replaced with lesirateq prepaid meters. Convert all conventional meters to prepaid meters.
- Reduce water and electricity losses. (Reliable water meters).
- Change toilets used in villages with VIP technology – preferably waterborne. VIP is contaminating the underground water protocol.
- Community halls to be provided to all areas.
- Several business plans that are not funded originating from the municipality. Political intervention is required to fast-track the decision-making process regarding these Plans.

#### **2.11.4 Corporate Services**

- Retention of skilled personnel.
- Develop a policy for scarce skilled personnel (GIS, PMU, safety officers and Town Planners)
- Improve community consultations to avoid community dissatisfaction. Report-back to communities must improve.
- Customer care service to be established in municipality to address general inquiries for the whole municipality.
- Amend policies.
- Speed up recruitment processes.
- Improve labour relations (lot of labour unrest in municipality)
- Improve staff morale
- Introduce individual performance management system
- Improve councilor training: Legislation, finance, governance and planning
- Establish following units: PMS/IDP, Planning, legal unit, IT unit, LED unit
- Improve software systems: HR, PMS, SCM, quality management system, contract management
- Develop a strategy on and administration in the municipality
- Reduce contract workers (budget for those needed)



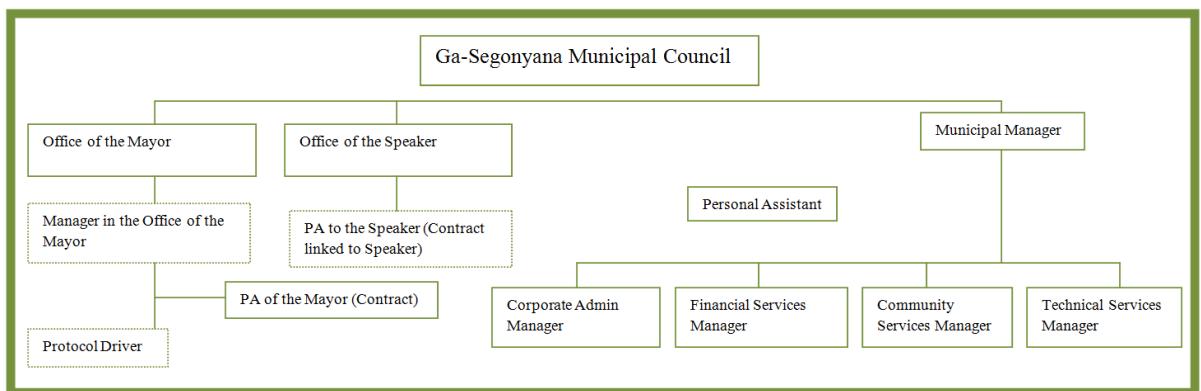


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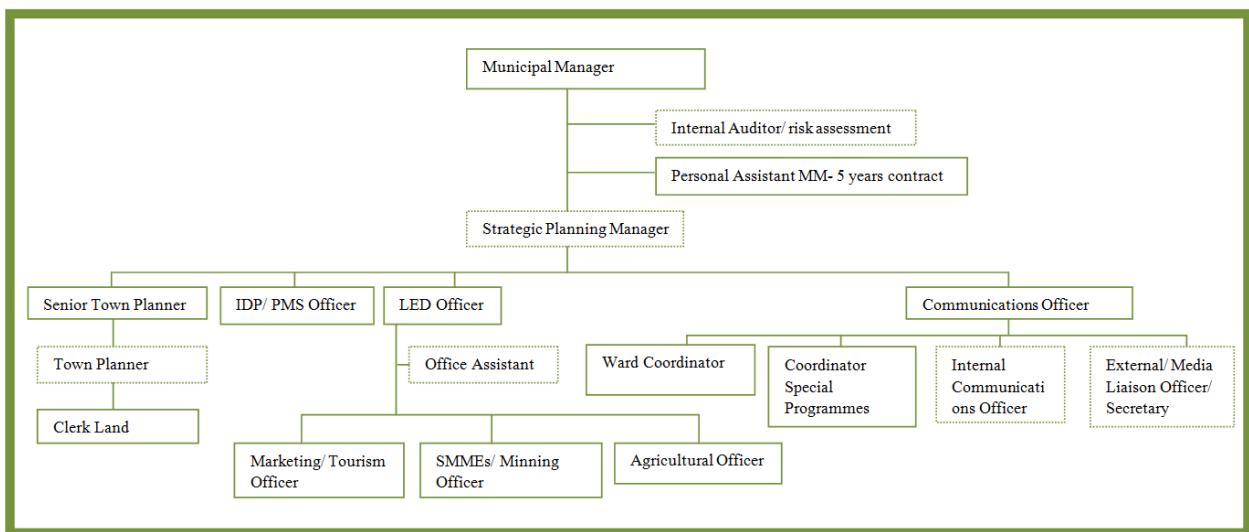
# 3

## Human Resources and other Organisational Management

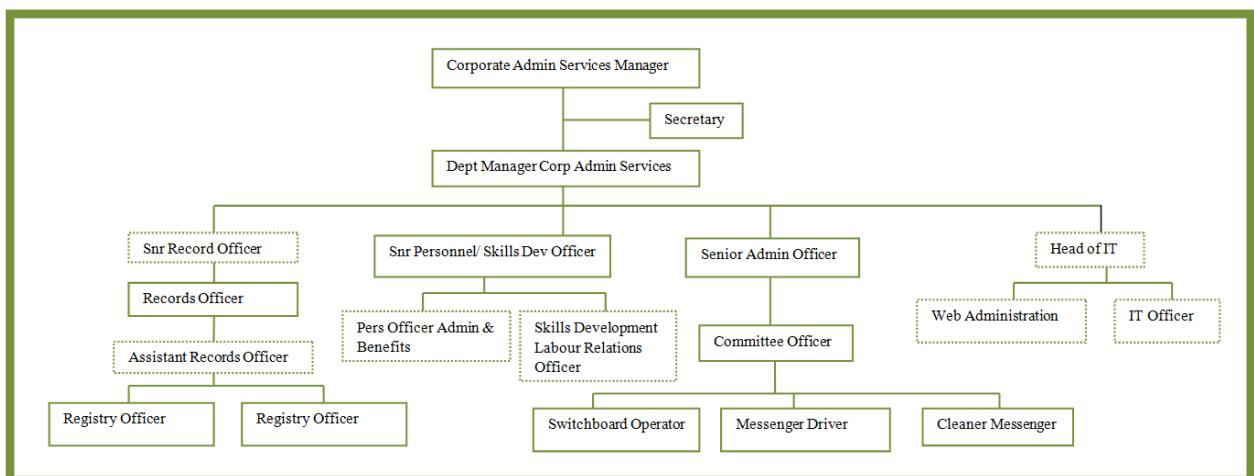
## 3.1 Organisational Structure



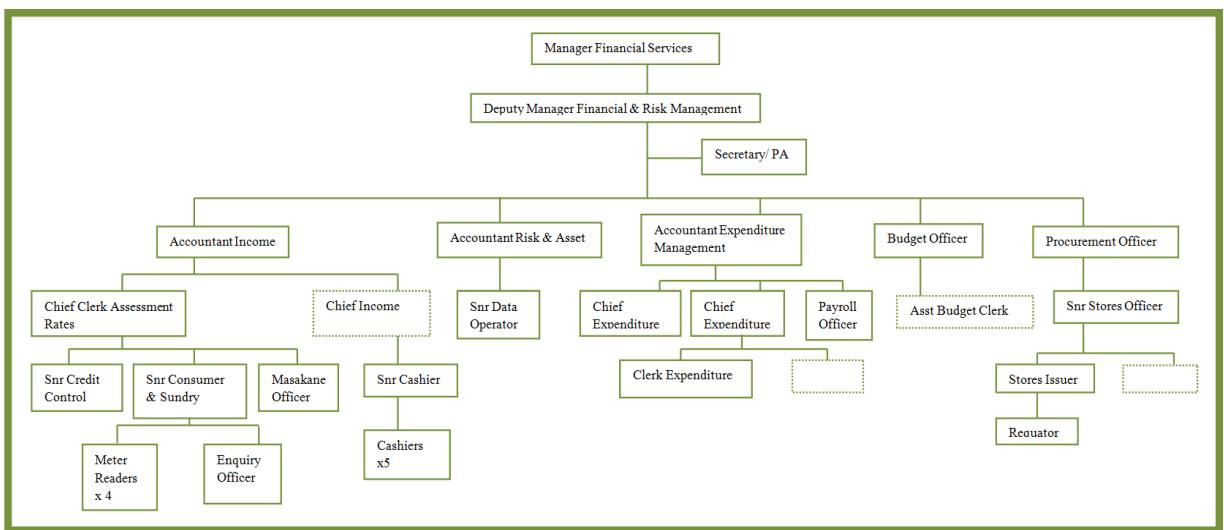
Office of the Municipal Manager



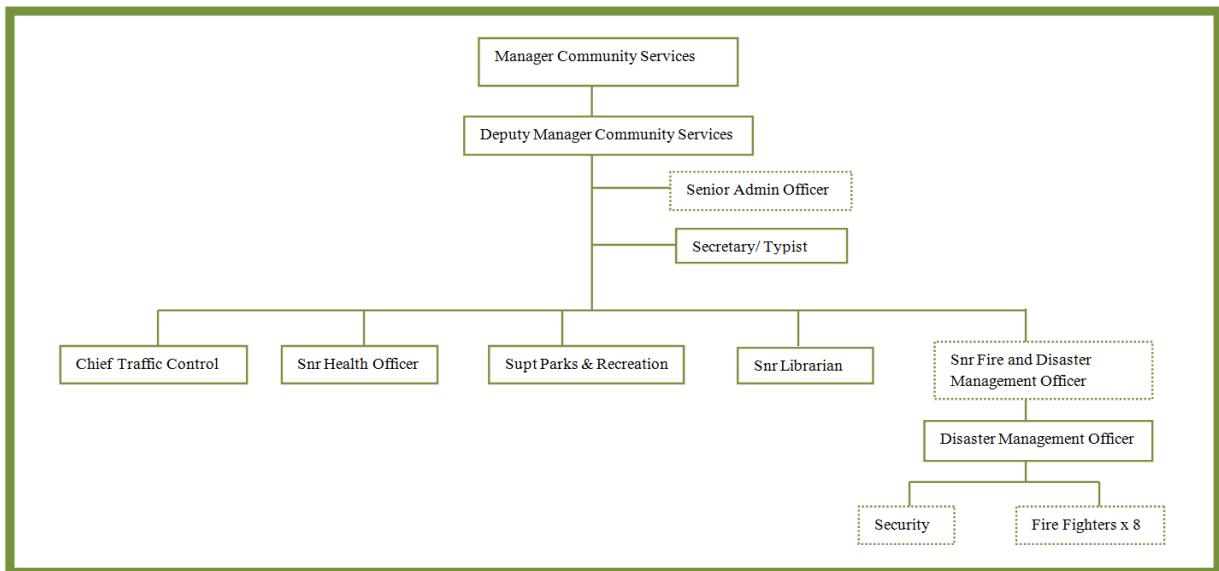
Corporate Admin Services



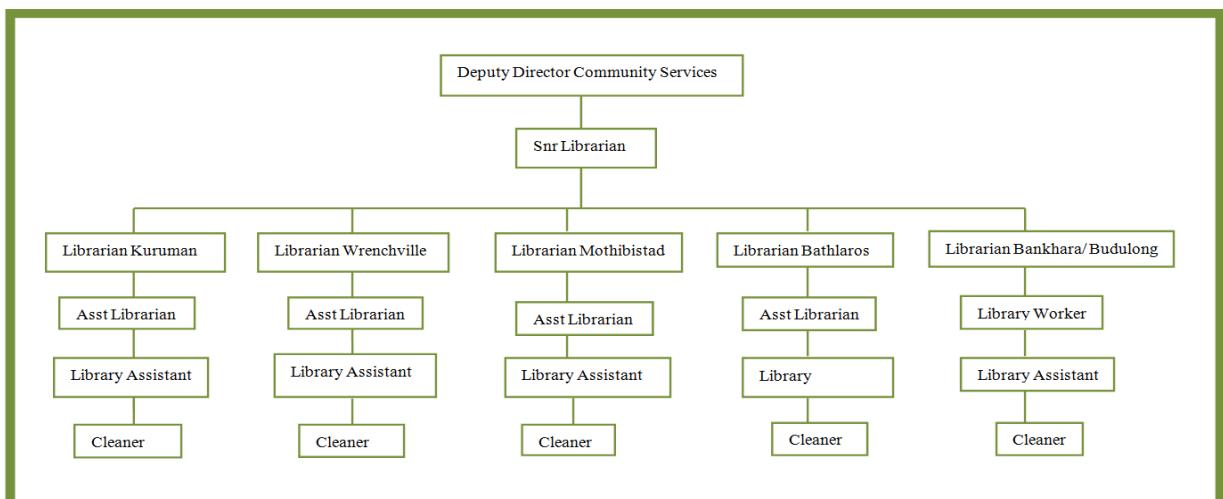
Finance Department



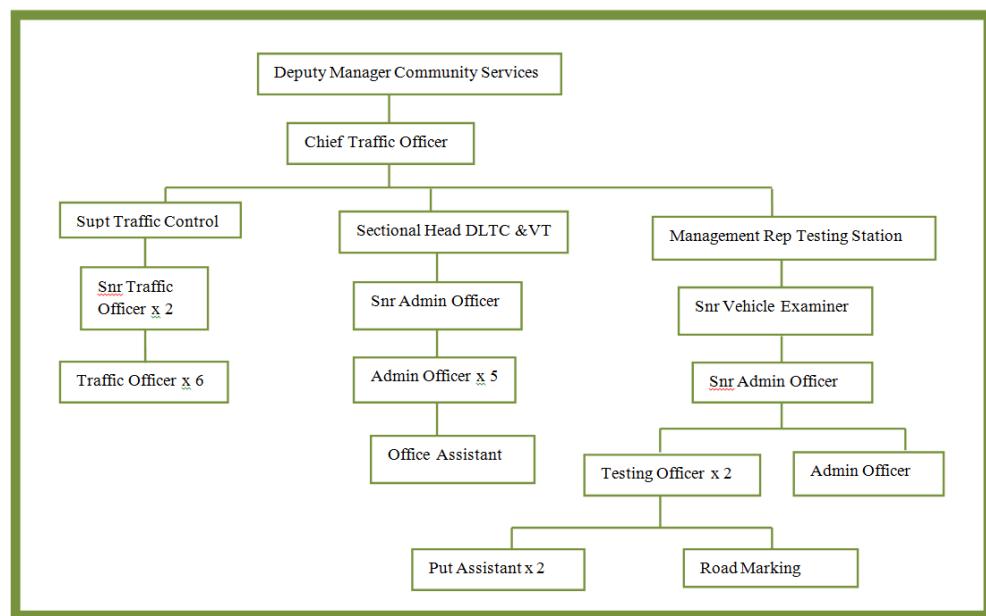
Community Services 1



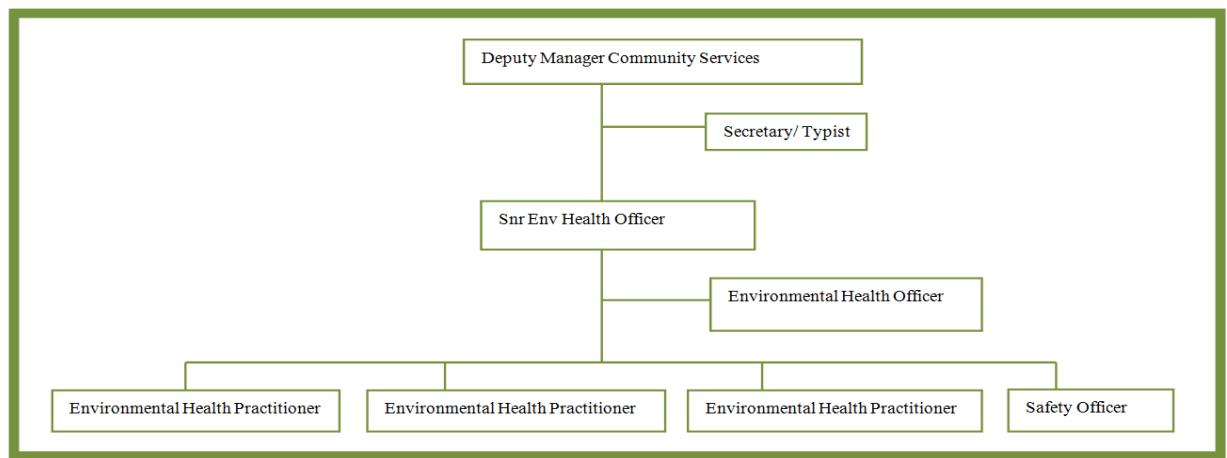
Library Services



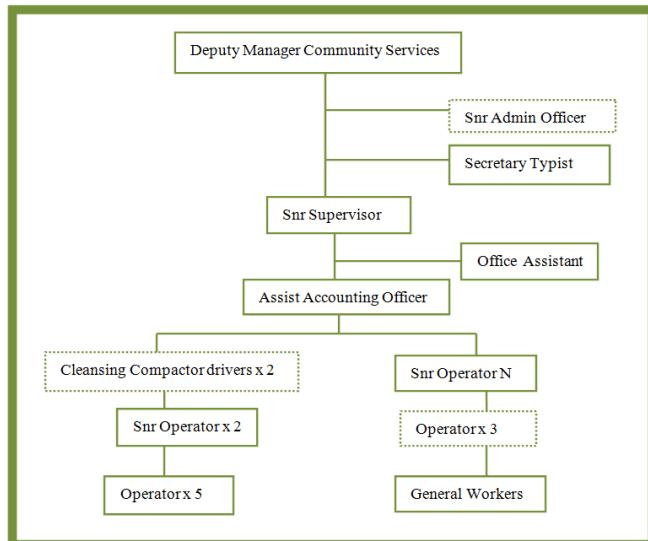
Community Services 2: Traffic



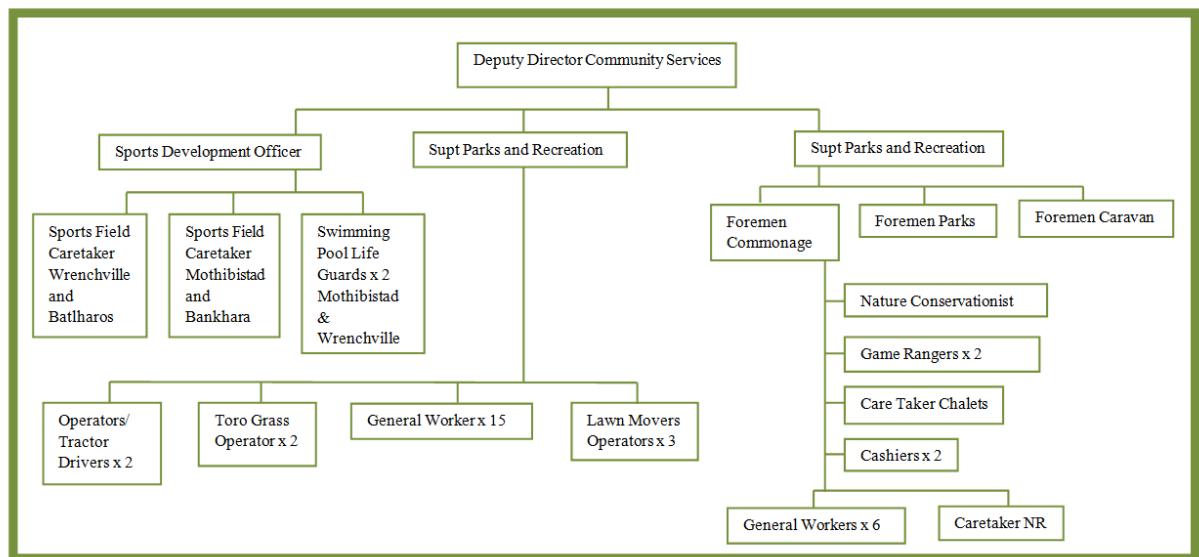
Community Services 3: Health



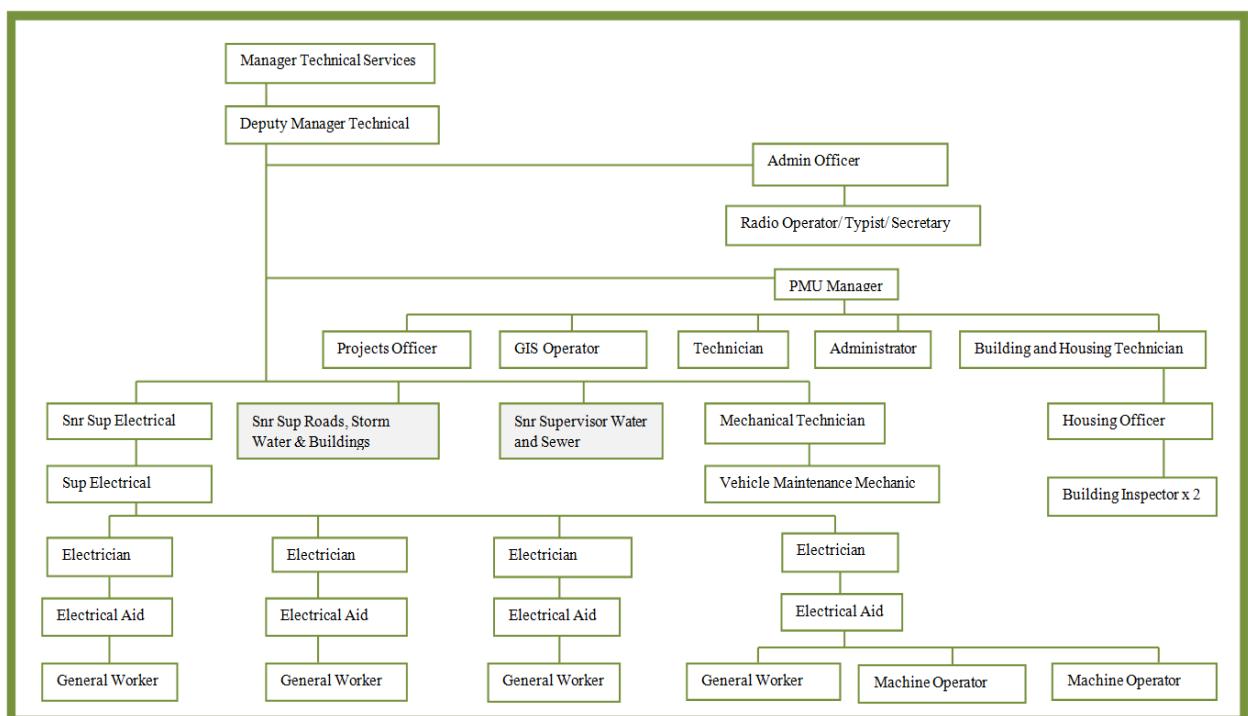
Community Services 3.1: Health Services



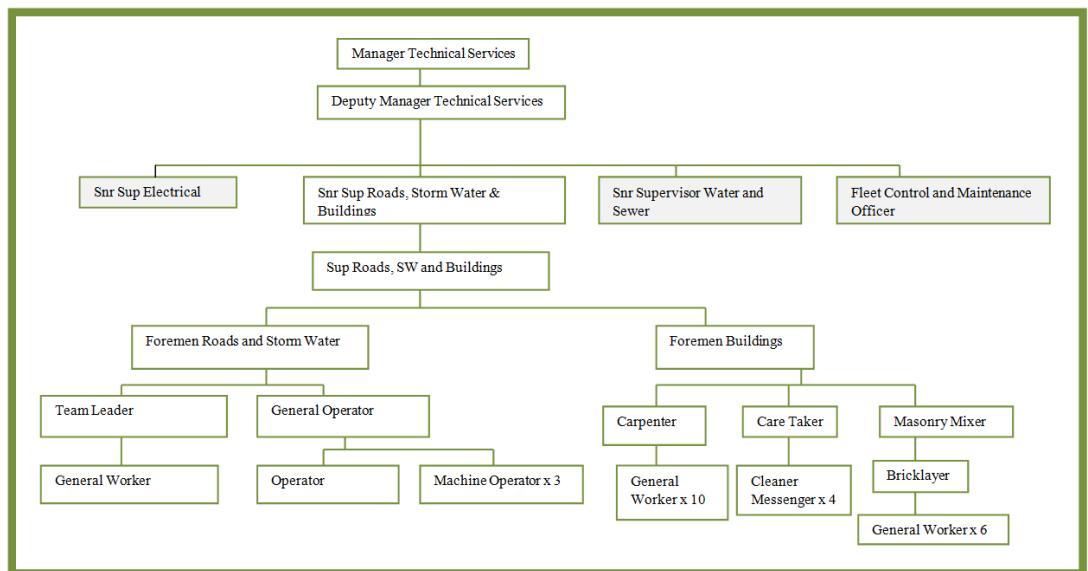
Community Services 4 Parks and Recreation



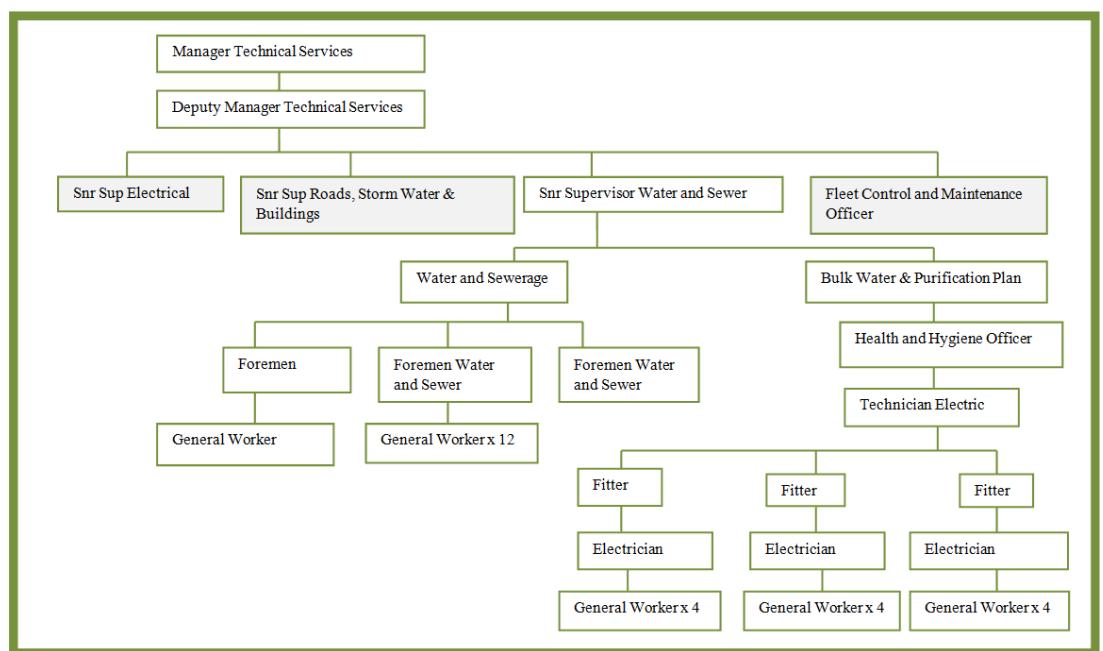
Technical Department 1



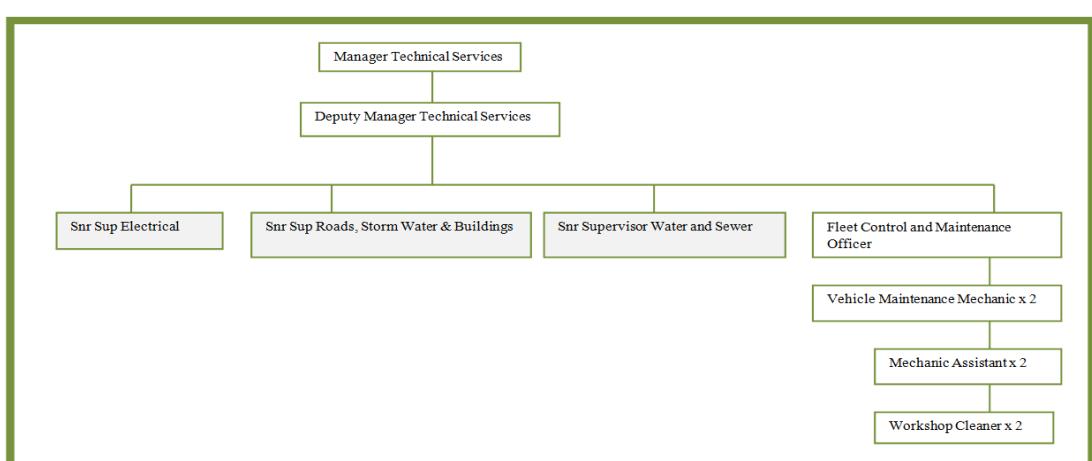
### Technical Department 2



### Technical Department 3



### Technical 4

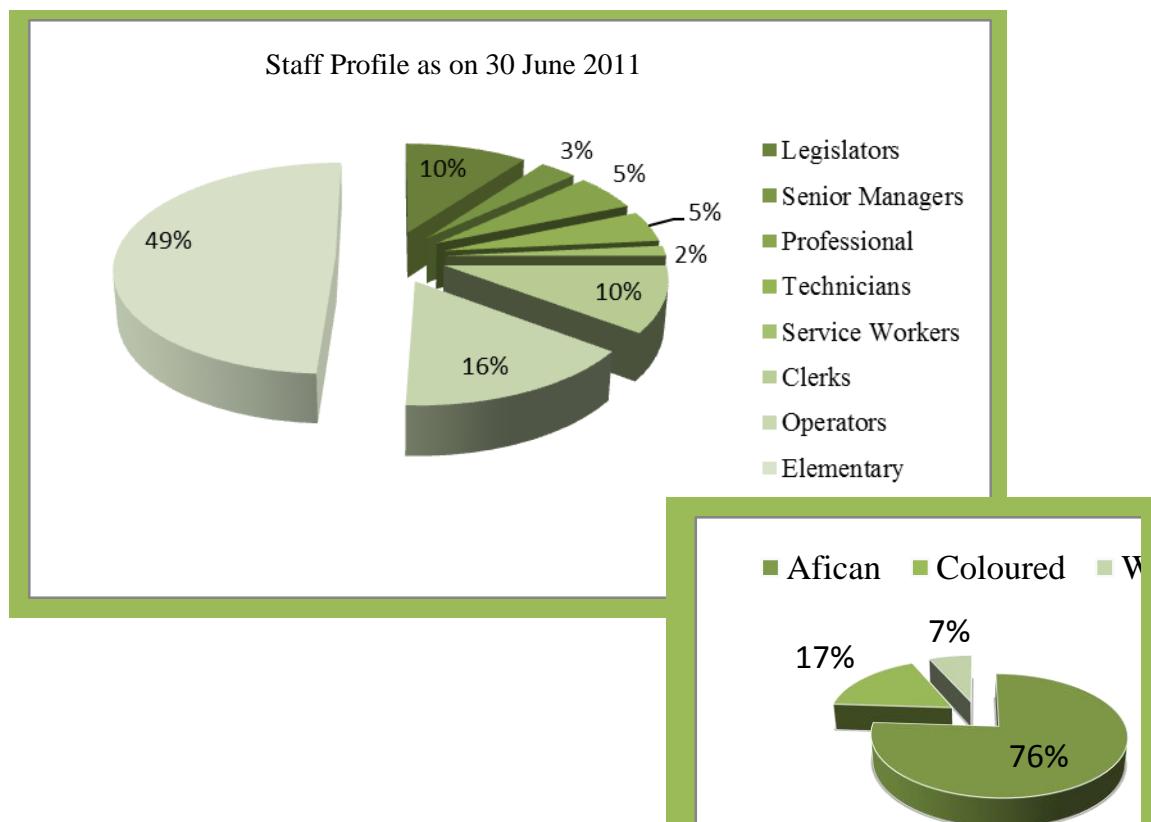


## 3.2 Human Resources

***The Municipality employed a total of 242 permanent and 87 temporary / contract workers as on 30 June 2011***

Figure / Table 26: Staff Profile, Municipal Administration

	Black		Coloured		White		Total
	Male	Female	Male	Female	Male	Female	
<b>Legislators</b>	13	9	1	1	0	1	25
<b>Senior Managers</b>	4	5	0	0	0	0	9
<b>Professional</b>	7	4	0	1	0	3	15
<b>Technicians</b>	6	0	5	0	0	0	11
<b>Service Workers</b>	2	0	0	0	3	0	5
<b>Clerks</b>	13	23	2	7	1	7	53
<b>Operators</b>	20	1	1	0	0	0	22
<b>Elementary</b>	63	14	19	5	0	1	102
	<b>128</b>	<b>56</b>	<b>28</b>	<b>14</b>	<b>4</b>	<b>12</b>	<b>242</b>



## Number of staff per Department

Figure / Table 27:

**Number of employees who left the Municipality in the financial year ending 30 June 2011**

	Black		Coloured		White		<b>Total</b>
	Male	Female	Male	Female	Male	Female	
<b>Legislators</b>	4	6					10
<b>Senior Managers</b>							
<b>Professional</b>	1	2					3
<b>Technicians</b>							
<b>Service Workers</b>							
<b>Clerks</b>	2	4	2			1	9
<b>Operators</b>							
<b>Elementary</b>	3		1				4
							26

Reasons for termination of services:

Reason	Total Employees
Resigned	9
Retired	3
Retrenched	9
Death	5

Employees who left as a total % of employees: 10.74%

Figure / Table 27:

**Number of new recruits employed by Municipality in the financial year ending 30 June 2011**

	Black		Coloured		White		<b>Total</b>
	Male	Female	Male	Female	Male	Female	
<b>Legislators</b>	9	7		1			17
<b>Senior Managers</b>							
<b>Professional</b>			2				2
<b>Technicians</b>							
<b>Service Workers</b>							
<b>Clerks</b>	2	9		1		1	13
<b>Operators</b>	3						3
<b>Elementary</b>	10						10
	24	16	2	2	0	1	45

## Vacancies per Department

Figure / Table 28: Staff Profile, Vacancies per Department

Department	Position
Corporate Services	Corporate Admin Manager Ward Administrator
Finance Department	Chief Clerk Consumer & Sundry Debtors Store Clerk Cashiers x2
Community Service Department	Senior Traffic Officer (PL 6)x5 Senior Admin Officer ( Traffic ) Examiner Foreman : Caravan Park (PL10) Chief Traffic Officer
Technical Department	1.PMU Manager 2.PMU Technician 3.GIS Operator 4.General Worker ( Electricity – Pl 14) 5.Machine Operator 6.Electrical Aid 7.Superintendent Roads And Stormwater and Buildings 8.Foreman Water and Sanitation 9.Brick Layer 10.Bulldozer Operator 11. Fitter: Sewage/Water

## 3.3 Pension & Medical Aid Funds

### 3.3.1 Pension Funds

- a) Municipal Employees Pension Fund
- b) Cape Joint Pension and Retirement Fund
- c) Government Employees Pension Fund
- d) SAMWU Provident Fund
- e) Retirement Annuity Fund (SANLAM)

### 3.3.2 Medical Aids

- a) Key Health
- b) SAMWUMED
- c) HOSMED
- d) Bonitas
- e) LA Health

## 3.4 Skills Development

### 3.4.1 SHE Incident Investigation training

From 04 – 06 August 2010:

<b>Name</b>	<b>SERVICE PROVIDER</b>
MM Mogaadile	NOSA
P Galehole	NOSA

### 3.4.2 Contract Management (Supply Chain Management)

From 29-30 July 2010:

<b>NAME</b>	<b>SERVICE PROVIDER</b>
GM Chere	Gamelithe Consulting
TC Lekoma	Gamelithe Consulting
MM Mogaadile	Gamelithe Consulting

### 3.4.3 Electrical Trade Test

From: 02 – 27 August 2010:

<b>NAME</b>	<b>SERVICE PROVIDER</b>
TA Eilerd	Gold Fields External Training Services

### 3.4.4 Electricity

The course is for seven (7) weeks starting from 1<sup>st</sup> September 2010

<b>NAME</b>	<b>SERVICE PROVIDER</b>
L Mmereki	Free State Skills Academy

### 3.4.5 It Governance

From 18-19 August 2010

<b>NAME</b>	<b>SERVICE PROVIDER</b>
TH Pitsonyane	The Business Zone
B Mangate	The Business Zone

### 3.4.6 Registry Training Course

From 2-6 August 2010

<b>NAME</b>	<b>SERVICE PROVIDER</b>
TJ Assegae	Department of Sports, Arts and Culture

E Diedricks  
B Mothupi

Department of Sports, Arts and Culture  
Department of Sports, Arts and Culture

### **3.4.7 Wits Business School**

#### **LGSETA Learnership Programme: Certificate Programme in Management**

##### **Finance Department**

- a) Mrs. T Jarvis
- b) Ms M Pelele
- c) Ms C Marwane
- d) Ms D Sedisho
- e) Ms. S Makatong
- f) Mrs. R Olyn
- g) Ms. M Semana
- h) Mr. B Sechogela
- i) Ms. E Pampoen

##### **Community Services:**

Mr. T Baanyang  
Mr. I Mabejane  
Mr. S Seheri  
Mr. A Keetile

##### **Technical Services Department**

Mr. K Kgarane  
Mrs. M Manhe  
Mrs G Monchwe

##### **Corporate Department:**

Mr. P Toto  
Mrs. S Aphane

### **3.4.8 Plumbing, Bricklaying and Carpeting**

##### **Community Service Department:**

1. S. Mompati
2. G. Steenkamp
3. E van ROOYEN
4. O Nampang
5. O Galeboe

6. S Vry
7. W Kgomane
8. J Seraelo
9. A Senatle
10. G Titus

## 3.5 Employee-related Cost

*Figure / Table 28: Employee-related Cost*

Item	Cost	%
Accumulative leave	R 600,998.00	1.44%
Acting Allowance	R 433,298.00	1.03%
Annual leave bonus	R 1,786,631.00	4.27%
Clothing allowance	R 252,880.00	0.60%
Industrial Council	R 10,371.00	0.02%
UIF	R 287,096.00	0.69%
Retirement fund	R 4,286,154.00	10.24%
Group insurance	R 476,277.00	1.14%
Medical aid	R 1,981,157.00	4.73%
Overtime	R 1,054,932.00	2.52%
Housing allowance	R 1,549,936.00	3.70%
Long service bonus	R 221,237.00	0.53%
Standby allowance	R 215,264.00	0.51%
Salaries	R 18,899,327.00	45.13%
Telephone allowance	R 224,421.00	0.54%
Tool allowance	R 3,200.00	0.01%
Travelling allowance	R 1,913,494.00	4.57%
Wage	R 7,676,972.00	18.33%

(Source: 2010/11 Annual Financial Statements)



# Ga-Segonyana

## MUNICIPALITY



[These financial statements have not been audited]

### FINANCIAL STATEMENTS

30 JUNE 2011

# GA-SEGONYANA LOCAL MUNICIPALITY

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## **GA-SEGONYANA LOCAL MUNICIPALITY**

### **FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011**

#### **GENERAL INFORMATION**

##### **NATURE OF BUSINESS**

Ga-Segonyana Municipality is a local municipality performing the functions as set out in the constitution. (Act no 105 of 1996)

##### **COUNTRY OF ORIGIN AND LEGAL FORM**

Ga-Segonyana Municipality is a South African Category B Municipality (Local Municipality) as defined by the municipal structures act. (Act no 117 of 1996)

##### **JURISDICTION**

The Ga-Segonyana Municipality includes the following areas:

*Kuruman*

Mayor T.G.Anthony  
Speaker T.E Meyers

##### **MEMBERS OF THE EXECUTIVE COMMITTEE**

Councillor T.G. Anthony Chairperson  
Councillor F.P. Byleveld  
Councillor K A Kelkabile  
Councillor B.E. Modlse

##### **MEMBERS OF IDP STANDING COMMITTEE**

Councillor T.G. Anthony Chairperson  
Councillor N.S.Bloem  
Councillor T.H. Lekgetho  
Councillor K.R.Makwatl  
Councillor RR.Molelekwa  
Councillor M.J. Polelo

##### **MEMBERS OF FINANCE STANDING COMMITTEE**

Councillor KA Kelkabile Chairperson  
Councillor P.Q. Mogatle  
Councillor B.A. Motlatsi  
Councillor N.G. Morogong  
Councillor L.S. Motingwe  
Councillor N.G. Thupaemang

##### **MEMBERS OF HUMAN RESOURCES STANDING COMMITTEE**

Councillor B.E. Modlse Chairperson  
Councillor K. Bless  
Councillor K.B.Madikiza  
Councillor B.M. Mosegedi  
Councillor T.T. Tlholygonye

##### **MEMBERS OF COMMUNITY SERVICES STANDING COMMITTEE**

Councillor F.P. Byleveld Chairperson  
Councillor G.C. Assegai  
Councillor M.C. Leberegane  
Councillor L.C. Rapelang  
Councillor S.M. Rayn

##### **MUNICIPAL MANAGER**

E.A. Gaborone

##### **CHIEF FINANCIAL OFFICER**

M.Semana

##### **REGISTERED OFFICE**

Comer of Voortrekker & Skool Street  
Kuruman  
8460

Private Bag X1522  
Kuruman  
8460

##### **AUDITORS**

Auditor General (NC)  
Private Bag X5013  
Kimberley  
ABSA Bank, Kuruman

##### **PRINCIPLE BANKERS**

ABSA Bank, Kuruman

##### **RELEVANT LEGISLATION**

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 76 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALBC Leave Regulations

## GA-SEGONYANA LOCAL MUNICIPALITY

MEMBERS OF THE GA-SEGONYANA LOCAL MUNICIPALITY

WARD	COUNCILLOR
1	P.P. Byleve
2	U M.C. Leberegane
3	N.G. Morogong
4	P.O. Mogatte
5	N.G. Disipi
6	T. Tiholonyane
7	M.J. Polelo
8	T.H. Lekgetho
9	L.C. Rapelang
10	B.M. Mosegedl
11	T.E. Meyers
12	L.S. Motingwe S
13	M Rayn
Proportional	B.A. Mottatsi
Proportional	G.C. Assegaaai
Proportional	T.G. Anthony
Proportional	KA. Kelkabille
Proportional	K.R. Makwati
Proportional	K.B. Madikiza
Proportional	N.S. Bloem
Proportional	K. Bless
Proportional	B.E. Modise
Proportional	N.G. Thupaemang
Proportional	M.A.P. Brink
Proportional	R.R. Molelekwa

## APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 70 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

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M.I Semana  
Acting Municipal Manager

31 August 2011  
Date

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2011**

	Notes	2011	2010
		R	R
<b>NET ASSETS AND LIABILITIES</b>			
Net Assets		925,293,496	933,572,310
Accumulated Surplus		925,293,496	933,572,310
<b>Non-Current Liabilities</b>		<b>39,172,421</b>	<b>39,216,299</b>
Long-term Liabilities	2	30,694,747	32,338,519
Employee benefits	3	8,477,674	6,877,780
<b>Current Liabilities</b>		<b>15,469,068</b>	<b>17,342,657</b>
Consumer Deposits	4	1,831,834	1,577,213
Current Employee benefits	5	1,496,304	1,360,192
Trade and other payables	7	3,625,503	3,245,105
Unspent Conditional Government Grants and Receipts	8	3,099,333	5,640,030
Cash and Cash Equivalents	20	2,334,704	-
Current Portion of Long-term Liabilities	2	3,081,390	5,500,117
<b>Total Net Assets and Liabilities</b>		<b>979,934,986</b>	<b>990,131,266</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>954,146,467</b>	<b>963,434,854</b>
Property, Plant and Equipment	10	951,776,737	960,954,373
Investment Property	11	1,618,560	1,635,420
Intangible Assets	12	199,707	332,103
Non-Current Investments	13	222	498
Long-Term Receivables	14	551,241	512,460
<b>Current Assets</b>		<b>25,788,519</b>	<b>26,696,412</b>
Inventory	15	6,738,543	6,911,292
Trade Receivables from exchange transactions	16	8,601,654	8,657,702
Other Receivables from non-exchange transactions	17	5,541,646	7,157,686
Unpaid Conditional Government Grants and Receipts	8	829,321	.
Operating Lease Asset	19.01	1,978	1,961
Vat receivable from exchange-transactions	9	4,067,905	154,959
Cash and Cash Equivalents	20	7,471	3,812,811
<b>Total Assets</b>		<b>979,934,986</b>	<b>990,131,266</b>